



Press release

Date: 25.10.2023

Second 2023 extrapolation confirms financing deficit

The Federal Council was informed about the current extrapolation on 25 October 2023. The Confederation is reckoning on a financing deficit of CHF 1.8 billion for this year. The expected deficit is thus likely to be slightly bigger than forecast in the June extrapolation (-1.5 bn), but it is much smaller than the result originally budgeted (-4.8 bn). By contrast, a significantly higher structural financing deficit in accordance with the debt brake is now to be expected (-0.7 bn), but expenditure is still below the expenditure ceiling set in the budget.

The Confederation is reckoning on a financing deficit of CHF 1.8 billion for 2023. A deficit of CHF 4.8 billion was originally forecast in the 2023 budget. The improvement relative to the budget is due to the fact that, as things currently stand, the CHF 4 billion in extraordinary expenditure that had been budgeted for the rescue mechanism for the electricity industry will not be needed. Compared with the June extrapolation, the financing deficit is estimated to be CHF 0.3 billion higher in the second extrapolation.

Table: Extrapolation as of 30 September 2023

<i>CHF bn</i>	2023 bdg.	June extrapol.	Sept. extrapol.	Difference Sept. vs. bdg.*	Difference Sept. vs. June
Ordinary receipts	79.8	79.4	79.5	-0.3	+0.0
Tax receipts	75.0	74.9	74.8	-0.2	-0.1
Nontax receipts and investment receipts	4.8	4.6	4.6	-0.2	+0.1
Ordinary expenditure	80.5	80.1	80.4	-0.1	+0.3
Current expenditure	74.9	74.5	74.8	-0.1	+0.3
Investment expenditure	5.5	5.5	5.5	-0.0	-0.0
Ordinary fiscal balance	-0.7	-0.6	-0.9	-0.2	-0.3
Extraordinary receipts	1.6	0.3	0.3	-1.2	+0.0
Extraordinary expenditure	5.7	1.2	1.2	-4.5	-0.0
Overall fiscal balance	-4.8	-1.5	-1.8	+3.0	-0.3

Any discrepancies in the totals are due to rounding.

Bdg. = budget, extrapol. = extrapolation

In the **ordinary budget**, the Confederation is reckoning on a slightly bigger financing deficit of CHF 0.9 billion (June: -0.6 bn). Since the economic situation is also estimated to be better than

in June, a smaller deficit is permissible under the debt brake requirements. As a result, there is a structural financing deficit of CHF 677 million (June: -53 mn). Nevertheless, ordinary expenditure is still below the expenditure ceiling set in the budget.

- **Ordinary expenditure** is up marginally on the June extrapolation (80.4 bn instead of 80.1 bn), mainly because supplementary credits and credit overruns are estimated to be higher. Overall, ordinary expenditure is thus likely to be only slightly lower than the budgeted figure (-88 mn).
- The estimate for **ordinary receipts** remains unchanged relative to the June extrapolation. Receipts are still expected to be CHF 0.3 billion lower than in the 2023 budget. Withholding tax, in particular, is likely to come in below budget (-0.7 bn). In addition, various other types of tax receipts (-0.4 bn in total) and nontax receipts (-0.2 bn) are both set to be marginally lower. This will be offset by higher direct federal tax receipts (+0.9 bn).

In the **extraordinary budget**, the financing deficit anticipated in June remains unchanged (-0.9 bn).

- At CHF 1.2 billion, **extraordinary expenditure** is significantly lower than budgeted (5.7 bn; of which 4.0 bn for the rescue mechanism for the electricity industry).
- **Extraordinary receipts** are estimated to be CHF 0.3 billion, and are thus below the budgeted figure of CHF 1.6 billion. The lower receipts are attributable mainly to the absence of the SNB profit distribution and the supplementary distribution anticipated in the extraordinary budget (budget: 1.3 bn).

Classification of the extrapolation

The Parliament Act stipulates that the Federal Council shall arrange for projections on the expected annual result to be issued as of **June 30 and September 30** and shall notify Parliament thereof. The extrapolation is **an estimate** and thus has to be interpreted with caution.

Further details:

Philipp Rohr, Communications Officer
Federal Finance Administration FFA
Tel. +41 58 465 16 06, kommunikation@efv.admin.ch

Relevant department:

Federal Department of Finance FDF

The following can be found as an enclosure to this press release at www.finance.admin.ch:

- Information note for the Finance Committees